

City of Detroit

CITY COUNCIL

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TO: Graham W.J. Beal, Director
Arts Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: April 26, 2005

RE: 2005-06 Budget Analysis

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Attached is our budget analysis regarding your department's budget for the upcoming 2005-06 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

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Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Roger Short, Budget Department Director
Charlayne Parker, Budget Department Team Leader
Sean Werdlow, Chief Financial Officer-Mayor's Office
Loren Lau, Chief Financial Officer -DIA
Kandia Milton, Mayor's Office

Arts Department (11) – Detroit Institute of Arts

FY 2005-06 Budget Analysis by the Fiscal Analysis Division

Summary

The Arts Department reflects the City's funding for the Detroit Institute of Arts (DIA). The proposed General Fund Subsidy in the 2005-2006 Recommended Budget is \$0, which is the same amount reflected in the 2004-2005 Budget. The Budget recommends \$4.7 million in general obligation bond appropriations and \$100,000 in capital reinvestment dollars for capital improvements at the museum.

The Mayor's Proposed 2005-2006 Budget recommends no positions for this department, which is the same number of positions reflected in the 2004-2005 Budget.

2004-05 Surplus/(Deficit)

There is no projected deficit for fiscal year 2004-2005 in the Arts/DIA Department.

Personnel and Turnover Savings

There are no employee turnover savings in the recommended budget.

Proposed Layoffs and Vacant Position Reductions

There are no proposed layoffs or vacant positions reductions reflected in the Mayor's Recommended Budget.

Significant Changes in Funding by Appropriation

Appro. Program

00002	Museum Management	This appropriation remains unfunded in the Mayor's Proposed 2005-2006 Budget. This appropriation was last funded in the 2003-2004 Budget at \$642,975. The appropriation was used for Other Expenses. In the 2004-2005 Recommended Budget, \$642,975 was requested. This amount was not funded.
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Bond Issue

The Mayor's Recommended 2005-2006 Budget includes \$4,800,000 for Capital Improvements. The Proposed Capital Agenda for FY 2001-02 through 2005-06 indicates that these monies will be used on the North Court – North Circulation Spine and on the North Wing Remediation. The Bond Issue history is detailed below.

<u>Budgeted Capital Improvement by Activity</u>	<u>FY 2004-05 Budget</u>	<u>FY 2005-06 Recommended</u>	<u>Increase (Decrease)</u>
Arts (11)			
Acquisitions – Buildings	\$ 5,000,000	\$ 4,700,000	\$ (300,000)

Budgeted Capital Improvement by Activity	FY 2004-05 Budget	FY 2005-06 Recommended	Increase (Decrease)
Capital Reinvestment	\$ 125,400	\$ 100,000	\$ (25,400)
Total	<u>\$ 5,125,400</u>	<u>\$ 4,800,000</u>	<u>\$ (325,400)</u>

Issues and Questions

1. What is the current status of the Detroit Institute of Arts renovation project?

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